

# Immigration and America's Future: A NEW CHAPTER



REPORT OF THE INDEPENDENT TASK FORCE ON IMMIGRATION AND AMERICA'S FUTURE  
CO-CHAIRS, SPENCER ABRAHAM AND LEE H. HAMILTON

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Deborah W. Meyers  
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Michael Fix

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MIGRATION POLICY INSTITUTE

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SEPTEMBER 2006



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Cataloging-in-Publication Data is available from the Library of Congress.  
ISBN 0-9742819-3-X, 978-0-9742819-3-3

Cover and Design by Sally James of Cutting Edge Design, Inc.

# FOREWORD

FEW POLICY AREAS AFFECT A SOCIETY as directly or as deeply as do immigration and immigration policy. Large-scale immigration magnifies those effects enormously.

The United States has been taking in unprecedented numbers of immigrants — legal and illegal — for over a decade now. Including those who come into the country both within and outside the parameters of the permanent immigration system and stay for extended periods of time, annual US immigration today totals about 1.8 million. Temporary immigrants entering legally on visas that do not require proof of an intention to return home and foreigners who enter and/or stay without authorization comprise the difference between the annual legal flows, which have averaged nearly one million in recent years, and the “actual inflow” figure estimated at 1.8 million.

No country can afford to have an immigration system that either ignores or otherwise merely ratifies the facts on the ground. Yet, that is what the United States has been doing for a while now. The result is a challenge to the most basic rules of governance; a hit-or-miss relationship between immigration policy and crucial US economic and social priorities; and an exceptional degree of political attention, not all of which has been thoughtful or productive. For these reasons, the Migration Policy Institute (MPI) organized the bipartisan Independent Task Force on Immigration and America’s Future. This volume presents the results of the Task Force’s effort to understand the key challenges and opportunities that immigration represents for the nation and the group’s proposals for sensible but fundamental solutions.

Under the steady leadership of two distinguished American public servants, Spencer Abraham and Lee H. Hamilton, the Task Force recommendations articulate a vision that promotes US global competitiveness in the context of post-9/11 security imperatives, while also grappling with many of the technical details that have made immigration such an intractable public policy problem. The resultant proposals call for a flexible system that meets US economic interests now and in the future, promotes longstanding social goals and priorities, respects core US values, and dramatically improves the government’s ability to advance the rule of law, a standard no longer being met by the status quo.

As with most efforts to fundamentally re-think complex and deeply ingrained systems and practices, the ideas the Task Force is presenting will require thoughtful debate and time for thorough assessment. The members of the Task Force, my MPI colleagues, and I are pleased to contribute the new thinking the Task Force has generated to the national immigration conversation now underway.

Demetrios G. Papademetriou  
PRESIDENT, MIGRATION POLICY INSTITUTE

# ACKNOWLEDGMENTS

THIS REPORT IS THE CULMINATION of the efforts of many skilled, effective individuals. We begin by expressing our gratitude to Spencer Abraham and Lee Hamilton for agreeing to serve as co-chairs of the Task Force. They have presided over the project with steady hands and seasoned judgments about the issues at stake in today's immigration debate. We are also grateful to the members of the Task Force for engaging in the process of dialogue and debate that took place during Task Force meetings and for committing time and imagination to grappling with the truly complex, wide-ranging issues addressed in this report. Our partners in convening the Task Force were the Manhattan Institute (MI) and the US Studies program and the Mexico Institute of the Woodrow Wilson International Center for Scholars (WWIC). We thank Tamar Jacoby, Andrew Selee, and Philippa Strum from those organizations for helping to organize the Task Force. Finally, the background information and perspectives provided by the ex officio members of the Task Force broadened the scope of the issues in valuable ways.

The idea for the Task Force dates back almost three years. Throughout its gestation, funding, research, meetings, and preparation of publications, all of our MPI colleagues have supported the initiative in varying ways. We have worked extremely well together in a spirit of warm collegiality preparing for Task Force meetings and bringing this report to fruition. We want especially to recognize Julia Gelatt, whose attention to detail, quantitative contributions, and tenacity in tracking down information have been indispensable. Her many contributions include tables, graphs, citations, and sidebars; Marc Rosenblum for intellectual ingenuity and persistent "drilling-down" on several key issues in the report; and Lisa Dixon for smooth liaison with members and funders, professionally managed meetings, and an excellent sixth sense for preventing things from falling through the cracks. Finally, our colleague Muzaffar Chishti added important perspectives and suggestions on a range of pertinent topics. Their work and dedication were exceptional.

The report reflects a great deal of research and analysis for which we also thank current and former MPI staff members Jeanne Batalova, Betsy Cooper, David Dixon, Kevin Jernegan, Julie Murray, and Kevin O'Neil, with assistance from interns Megan Davy, Shirin Hakimzadeh, Mary Helen Johnson, and Eliot Turner. We are indebted to Colleen Coffey and Meg Weaver for outstanding help

with communications, copyediting, and publications tasks and to Ben Rhodes of the Woodrow Wilson Center for deft editing and editorial advice in the writing of the report.

Present and former US government officials were particularly helpful in supplying technical information. For that we thank Steve Fischel, Jeff Gorsky, and Charlie Oppenheim of the State Department; staff of the Office of Immigration Statistics; and Lisa Roney of the Department of Homeland Security. Staff of the members of Congress who served on the Task Force played similarly important roles. Our thanks, therefore, goes to Esther Olavarria, Margaret Klessig, Julia Massimino, and Rebecca Jensen.

The quality of discussion at Task Force meetings was sparked by excellent briefings and written analyses. In particular, we wish to thank Frank Bean, David Ellwood, Susan Ginsburg, Leighton Ku, James Loy, David Martin, Susan Martin, and Jeffrey Passel. Many additional authors also contributed importantly to the project. The papers they prepared were, or are being, published to contribute solid information and analysis to the ongoing debate. A full list of Task Force publications and authors appears in the appendix.

Finally, we are extremely grateful to the Carnegie Corporation, Charles Evans Hughes Foundation, Ford Foundation, Haas Foundation, JEHT Foundation, JM Kaplan Fund, and Open Society Institute for their confidence in and financial support for this project.

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\* Because of their legislative roles, currently serving members of Congress were not asked to endorse the Task Force recommendations.

Note: Some Task Force members submitted additional comments that appear at the end of the report. One member submitted a dissenting comment.

# PREFACE

INTERNATIONAL MIGRATION IS TRANSFORMING not only the United States, but also more countries than at any time in history. The United States has long been a world leader in welcoming and integrating newcomers. Yet, our nation's official immigration policies are increasingly disconnected from the economic and social forces that drive immigration.

The nation's attention is focused on illegal immigration. Americans are deeply divided in their opinions about the impact of immigration on the country, and anger about illegal immigration colors public attitudes about all aspects of immigration, illegal or otherwise. Confronting the problem of illegal immigration is long overdue. Still, illegal immigration is but one aspect of immigration. Today's debate side-steps the broader question that looms for America's future: What kind of immigration policy and system would harness the benefits of immigration to advance US national interests in the 21<sup>st</sup> century?

The Independent Task Force on Immigration and America's Future was convened by the Migration Policy Institute (MPI) to grapple with that question. Its report and recommendations are based on careful analysis of the economic, social, and demographic factors driving today's large-scale immigration, illegal and legal. Its core conclusion is that the benefits of immigration far outweigh its disadvantages and that immigration is essential to US national interests and will become even more so in the years ahead. But to harness the benefits, the United States must fundamentally rethink its policies and overhaul its system for managing immigration.

The Task Force is a bipartisan group of leaders and experts from key sectors concerned with immigration. The co-chairs are Spencer Abraham, Principal, The Abraham Group, former Secretary of Energy and Senator from Michigan, who chaired the Subcommittee on Immigration of the Committee on the Judiciary; and Lee Hamilton, President and Director of the Woodrow Wilson International Center for Scholars (WWIC), former Vice-Chair of the 9/11 Commission and Representative from Indiana who chaired the House Committee on Foreign Relations. The Division of United States Studies and the Mexico Institute of the Woodrow Wilson Center and Manhattan Institute have collaborated with MPI in convening the Task Force.

The Task Force first met in May 2005. Research and analyses prepared for it have been released at regular intervals during the past year to inform policy-makers, the press, and the public about critical issues.<sup>9</sup> Since the first meeting, legislative debate suddenly accelerated in the Congress. Because of their legislative roles, currently serving members of Congress were not asked to endorse the Task Force recommendations. Many Task Force members have been actively engaged in advocacy on behalf of key constituencies. Their support for the recommendations in the report in no way alters positions they may have taken on pending legislation and does not necessarily imply agreement with every aspect of the report.

This report is the culmination of the work of the Task Force. It addresses issues in the current debate and beyond. The Task Force hopes it will serve as a durable foundation upon which to build the discourse and policies that can meet the challenges and opportunities immigration poses for the 21<sup>st</sup> century.

# EXECUTIVE SUMMARY

IMMIGRATION IS THE OLDEST AND NEWEST story of the American experience. The same dreams of freedom and opportunity that galvanized people to cross the ocean hundreds of years ago draw people to America today. Immigration has enabled America's growth and prosperity, and helped shape our dynamic American society. Yet just as it has been a vital ingredient in America's success, immigration generates changes that can be unsettling and divisive.

Immigration is essential to advancing vital American interests in the 21<sup>st</sup> century. To maximize the benefits and mitigate the strains caused by immigration, the United States needs a new immigration policy and system for a new era.

Three times in our history, the United States has experienced “peak periods” of large-scale immigration that coincided with transformative economic change. Today, we are living through a fourth peak period, as globalization prompts the United States to complete the transformation from a manufacturing to a knowledge-based economy. With over 14 million newcomers, legal and illegal, the 1990s ranks numerically as the highest immigration decade in American history; the current decade will almost certainly surpass it.<sup>1</sup>

As with previous peak periods, immigration is helping the United States respond to shifting economic realities, while also enriching American society. At the same time, communities across the country are experiencing rapid change and new challenges in integrating diverse new populations. In particular, the United States is faced with an unprecedented level of illegal immigration. Demands for greater border control, an immigration system that can meet neither workforce requirements nor the need for families to unify, and government agencies at all levels that are struggling to manage immigration mandates are all signs that our policy is broken and outdated.

The American people are deeply divided about whether immigration helps or hurts the country. They recognize the imperative for change, but often give contradictory answers when asked to choose among various policy options.<sup>2</sup> Legislative action has mirrored this division. The House of Representatives passed a bill in December 2005 that focused on tough new enforcement measures at the border and in the interior of the country. The Senate passed a bill in May 2006 that complements stringent enforcement measures with substantially

expanded opportunities for legal immigration and earned legal status with a “path to citizenship” for unauthorized immigrants.

The Independent Task Force on Immigration and America's Future welcomes the national dialogue on immigration. We applaud Congress for taking action, but believe that both the House and Senate bills are insufficient. The House bill will not fix the problem because it fails to address the economic forces driving immigration. The Senate bill is preferable because it is more comprehensive and bipartisan, but the bill is overly complex to implement and fails to correct systemic problems in immigration law and policy.

The Task Force report is based upon a careful analysis of the economic, social, and demographic factors driving today's large-scale immigration. In crafting recommendations, we sought to design a new and simplified system that averts illegal immigration, while also harnessing the benefits of immigration for the future.

## THE BENEFITS OF IMMIGRATION

Immigration offers the United States unique benefits that will allow us to be a more productive, competitive, and successful nation in the 21<sup>st</sup> century.

### Productivity

Immigration augments and complements the workforce exceptionally well because the US economy is creating more jobs than can be filled by native-born workers. In the 1990s, half of the growth in the US labor force came from new immigrants.<sup>3</sup> That share is projected to grow. This demand for foreign labor is evident across the skills spectrum. At a time when Japan and most European countries are less competitive and face mounting social welfare costs because of declining working-age populations, infusions of young, taxpaying immigrants are helping the United States overcome worker, skills, and entitlement program shortfalls. Without immigration, we cannot sustain the growth and prosperity to which we have become accustomed.

### Competitiveness

Immigrants are helping the United States maintain a competitive edge. In the critical fields of science and engineering, immigrants play a pivotal role. To take just one example, in 2004, 50 percent of students enrolled in engineering graduate programs in the US higher education system were foreign-born.<sup>4</sup> At a time when China and India are increasingly competitive, the United States must continue to attract the world's best and brightest — or risk losing an important resource to other nations.

Immigration also propels entrepreneurship. Immigrants are more likely to be self-employed than native-born Americans.<sup>5</sup> The number of Hispanic-owned businesses has grown at three times the national average.<sup>6</sup> And one quarter of Silicon Valley start-ups were established at least in part by immigrants, including Intel, Sun Microsystems, and Google.<sup>7</sup> These and countless immigrant-owned businesses across the country are creating jobs, revitalizing neighborhoods, and helping the US economy adapt to changing global market conditions.

## Dynamism

Immigration remains a driving force behind the dynamism of American society. The impact of immigration on daily life is evident in the food we eat, the entertainment we watch, the houses of worship we attend, and the sports we play. Prominent immigrants have won Nobel Prizes, built soaring skyscrapers, written or performed masterpieces, and served at the highest levels of government. Classic indicators such as employment, education, military service, intermarriage, and home ownership show that today's immigrants are successfully integrating into American society.

In an age of globalization, America's openness to immigrants is also an important foreign policy asset. Those who live, study, or emigrate to the United States learn first-hand about our values of freedom, opportunity, individual rights, and the rule of law. And in a global economy that increasingly demands global interaction, exposure to a diversity of people and experiences is a unique resource for Americans.

## THE CHALLENGES OF IMMIGRATION

Despite these substantial benefits, America's immigration system has been overwhelmed by myriad challenges. Many of these challenges are tied to illegal immigration and the resulting population of unauthorized immigrants in the United States.

### Illegal immigration

The most dramatic manifestation of the breakdown of America's immigration system is that a large and growing share of today's immigration is illegal. According to recent estimates, 11.5 to 12 million unauthorized immigrants are in the United States — nearly one-third of the country's foreign-born population.<sup>8</sup> For a nation of immigrants that is also a nation of laws, this level of illegal immigration is unacceptable. Illegal immigration generates insecurity about America's borders, carries economic and fiscal costs, and risks the creation of an isolated underclass. The prevalence of illegal immigration also generates disturbing social and cultural tensions, and causes a decline in Americans' support for immigration more generally.

### Temporary immigration

Along with illegal immigration, nonimmigrant (temporary) immigration programs constitute the primary ways immigration has adapted to new conditions and labor market demands. Temporary immigration programs have increasingly been used as a step to permanent immigration and are filling standing, ongoing labor market needs. The result is that illegal immigration is meeting the nation's low-skill demands, and temporary visa programs are meeting the demands for mostly high-skilled immigration.

### An over-burdened system

Illegal immigration occurs within the bounds of a broader immigration system that is over-burdened and no longer serves the nation's needs. The primary

engines of immigration — family unification and employment — generate far more demand than the immigration system can meet. Individuals who apply to immigrate legally — on a temporary or permanent basis — face overly complex procedures, unreasonable delays, and inflexible statutory ceilings that dictate levels of immigration to the United States.

## **Native-born workforce**

Immigration — particularly illegal immigration — also presents challenges to the native-born workforce. While the net economic impact of immigration is beneficial to the US economy, today's immigration also has some troubling consequences. Illegal immigration can have negative impacts on wages at the bottom end of the pay scale. And immigrant labor, particularly of unauthorized immigrants, can lead to declining labor standards that undercut the position of native-born workers.

## **Integration**

The sheer number of today's immigrants — and the fact that many are unauthorized — presents substantial integration challenges. Many of the costs and responsibilities associated with integration are borne by states and localities. Large numbers of immigrants are now settling in states such as Georgia, North Carolina, and Nebraska that do not have recent traditions of immigrant integration. Unauthorized immigrants by definition cannot be integrated into American society, complicating integration further. And at the local level, communities are often faced with demands for services from unauthorized immigrants, particularly for education and health care, which are costly and engender resentment.

## **Security**

Despite more than a decade of unprecedented growth in resources for border security, the number of unauthorized immigrants residing in the United States has led to a sense that the government lacks the ability and will to secure its borders. Many border communities feel besieged, and citizens across the country are calling increasingly for strengthened border enforcement. Within the country, rules against employers hiring unauthorized immigrants are easily broken, manipulated, or simply under-enforced.

While the overwhelming majority of migrants entering the United States do not represent a threat to national security, the borders must be the front line for security. In a post-9/11 environment, Americans are particularly concerned about terrorists crossing a permeable border or fraudulently gaining admittance to the country at legal ports of entry. In addition, increases in smuggling, dangerous border crossing patterns that have led to tragic migrant deaths, and vigilantism all pose risks to migrants and border communities alike.

# AN IMMIGRATION POLICY FOR THE 21<sup>ST</sup> CENTURY

The Independent Task Force on Immigration and America's Future believes America has entered a new era of immigration, and thus needs a new framework for immigration policy. Our recommendations integrate economic, security, and social concerns. We make proposals that are comprehensive, and governed by rules that are simplified, fair, practical, and enforceable. Above all, we have sought to build for the future upon a firm foundation of America's values and traditions of successful immigration.

## Attracting the immigrants the United States wants and needs

The Task Force recommends the simplification and fundamental redesign of the nation's immigration system to accomplish timely family unification and to attract the immigrant workers required for the United States to compete in a new economy.

### *A re-designed system*

Immigration should take place through three new streams: temporary, provisional, and permanent. Temporary visas would be issued for short-term stays and work assignments, such as seasonal employment. Provisional visas would allow employers to recruit foreign-born workers for permanent jobs and possible future immigration after a testing period of several years. A combination of such temporary and provisional visas, based on the nature of the job, is preferable to a bracero-like guest-worker program, which ties workers to individual employers and provides no opportunity for permanent residence. Finally, permanent immigration would be available both to those who apply directly, and those who "graduate" from provisional status.

The proposed system would initially set annual immigration levels at about 1.5 million, approximately 300,000 less than the actual annual number of immigrants – legal and illegal – being absorbed into the labor market and the country today. The system would simplify many visa categories and procedures, so that US immigration is better able to meet family unification and labor market goals. Special visa categories would be created, such as "strategic growth visas" for individuals in strategically important disciplines.

### *Standing Commission*

An independent, federal agency called the Standing Commission on Immigration and Labor Markets should be created. The Standing Commission would make recommendations to Congress every two years for adjusting immigration levels. Its recommendations would be based on analyses of labor market needs, unemployment patterns, and changing economic and demographic trends. In adjusting immigration levels to be flexible to changing market conditions and ongoing review, the Standing Commission would provide an important tool for policymaking, much as the Federal Reserve does for monetary policy.

### *Executive branch*

To bolster the government's capacity to implement immigration policy, the president should: 1) name a White House coordinator for immigration policy;

2) issue an executive order establishing an interagency cabinet committee for immigration policy; and 3) strengthen the capacity of executive branch agencies to implement major new immigration mandates.

## Enforcing the rules

People cross the border illegally or overstay their visas because of the availability of jobs in the United States and the absence of legal immigration opportunities. Any strategy to reduce illegal immigration must therefore increase the numbers of workers admitted legally, and then effectively and credibly punish employers who continue to hire unauthorized workers. The new bargain must be that with increased employment-based immigration, employers be given the tools to reliably hire only authorized workers, and be held to high standards of compliance with immigration and other labor standards laws.

### *Employer enforcement*

Mandatory employer verification and workplace enforcement should be at the center of more effective immigration enforcement reforms. Without them, other reforms — including border enforcement — cannot succeed. Electronic verification is a major undertaking that relies on upgrading several massive federal databases. Government agencies must be given sufficient, sustained resources and support to upgrade databases and establish privacy and anti-discrimination safeguards. To assist in the process, the Department of Homeland Security should create a Workplace Enforcement Advisory Board to help build support for new employer enforcement policies, and monitor the progress of new measures.

### *Secure documents*

A secure Social Security card is necessary to combat fraud, enable individuals to establish their eligibility to work, and allow employers to easily verify the documents presented by legally authorized workers — US citizens and non-citizens alike. A secure, biometric Social Security card should be developed to replace existing non-secure cards. Along with “green” cards and immigration work authorization cards — which are already secure, biometric documents — the three cards should eventually be the only documents used to verify work eligibility.

### *Border enforcement*

Border enforcement must accomplish a number of intertwined goals: restricting the illegal entry of people and goods; regulating the flows of people and goods that the United States wishes to admit; protecting against terrorism and other national security threats; and protecting against criminality, violence, and other threats to the quality of life.

- *Smart borders.* To accomplish these goals, implementation of “smart border” measures that combine personnel, equipment, and technology should be accelerated. The administration should submit an annual report to Congress and the American people that establishes measures of effectiveness for border enforcement and reports progress in meeting them. Three particular areas that need to be closely monitored are Border Patrol staffing and support, the effectiveness of technology, and civil rights protections of migrants and border community

residents. Border enforcement efforts have received substantial resources in recent years with uncertain results. In implementing border enforcement policies, Congress and the public need better information to assess the effectiveness of those investments.

- *Ports of entry.* Immigration enforcement in other areas of border security should continue to be strengthened, especially legal ports of entry and overseas visa issuance. As southwest border enforcement increases, incentives for individuals to use legal ports of entry to gain admittance to the United States will continue to grow. Legal immigration admissions procedures must not become “weak links” in border protection. Sustained attention to document security and vigilance in the issuance of overseas visas will continue to be of key importance. Meanwhile, security must be balanced with efficiency, as facilitating legitimate trade and travel are essential to economic prosperity and US engagement around the world.

- *Counter-terrorism.* Terrorist travel and transportation tactics should be aggressively targeted with the same depth and urgency as terrorist communications and finance. International terrorists depend upon mobility. Every time a terrorist crosses an international border, he must make contact with an enforcement official. This represents a significant vulnerability for terrorists, and a vital opportunity for counter-terrorism officials. The tracking and disruption of terrorist travel demands higher priority and resources. Border officials must have ready access to information, such as real-time intelligence and law enforcement watch-lists, to enable them to promptly identify terrorism suspects.

### *Labor market protections*

A re-designed immigration system must not diminish employment opportunities or wages of native-born US workers. Furthermore, increased levels of immigration must not be accompanied by declining labor standards — for US workers or for foreign-born workers.

- *Labor certification.* The existing case-by-case labor certification system should be replaced with a system that provides for pre-certified employers, designates shortage occupations for blanket certifications, and uses a streamlined individual certification process for non-shortage occupations. Pre-certifications would require employers to file sworn attestations that no qualified US workers are available to do the job, that no striking workers are being replaced, and that prevailing wages will be paid.

- *Worker flexibility.* Temporary and provisional workers should have the right to change employers after an initial period without jeopardizing their immigration status, and to exercise labor rights comparable to those of similarly employed US workers.

### **Immigrant integration**

US immigration policies are specified in great detail in US laws, but integration policies are skeletal, ad hoc, and under-funded. Immigrant integration is an essential dimension of successful immigration, especially in a period of large-

scale immigration. Currently, there is no focal point for leadership in the federal government to promote immigrant integration. Individual, family, and state and local efforts accomplish a great deal, but they could be better leveraged to achieve important national goals.

### *Office of Immigrant Integration*

A National Office on Immigrant Integration should be created to provide leadership, visibility, and a focal point at the federal level for integration policy. The office would establish goals for immigrant integration, and measure the degree to which these goals are met. The office would assess and coordinate federal policies and agencies related to integration, and serve as an intermediary with state and local governments. As a principal priority, the office should examine the supply of and demand for English-language instruction among limited English-proficient groups, and provide leadership and expertise for public and private sector initiatives and resources to meet that demand.

### *The unauthorized population*

An earned path to permanent legal status is the most urgent immigrant integration need at this time and should be provided for unauthorized immigrants currently in the United States. The requirements for earning legal status should be the same for all eligible applicants. A legalization process should be simple, with an eligibility date that is as recent as possible. The process should include registration for work eligibility in the United States, accompanied by a background security check, English-language requirements, and payment of a substantial fine for illegally entering the United States. Earned legal status should occur within the context of broad, comprehensive immigration reform.

## **The Region**

Illegal migration is a regional issue. Nearly 80 percent of the unauthorized population in the United States is from Latin America, primarily from Mexico and Central America. The flow of remittance earnings from migrants in the United States to families and communities in their home countries has reached record amounts. The United States must engage Mexico and Canada in longer-term initiatives that result in viable economies and higher standards of living throughout the region.

## **Conclusion**

America's ability to effectively manage and take advantage of our current period of large-scale immigration constitutes a new chapter in the nation's immigration experiences that will play a large part in shaping our nation in the 21<sup>st</sup> century. Will we be able to compete effectively? Will we be secure? Will we maintain our tradition of openness? The Task Force strongly believes that the United States can answer each of these questions in the affirmative, but only if we adopt a simplified, comprehensive, and new approach to immigration that addresses the American people's sense of crisis about illegal immigration, as well as the opportunities that immigration provides for the United States in a new era.

# NOTES

- 1 About 9.8 million immigrants gained lawful permanent resident (LPR) status in the United States between 1990 and 1999, while an estimated 4.9 million immigrants entered and remained in the country without authorization. However, immigrants made up a larger share of the total US population at the turn of the century – about 15 percent, compared to only 12 percent currently. US Department of Homeland Security, *Yearbook of Immigration Statistics: 2004*, Table 1 (Washington, DC: US Department of Homeland Security Office of Immigration Statistics, 2006); Jeffrey S. Passel, “The Size and Characteristics of the Unauthorized Migrant Population in the U.S.” (Washington, DC: Pew Hispanic Center, March 2006), <http://pewhispanic.org/files/reports/61.pdf>; and Tabulations from the Current Population Survey, March 2005.
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